

Approved For Release 2004/08/07 : CIA-RDP85-00850R00020005-1
CIA/ONE/STAFF MEM/46-63 AN OPPORTUNITY IN ECUADOR
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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

15 July 1963

STAFF MEMORANDUM NO. 46-63 (Internal ONE Working Paper --
CIA Distribution Only)

SUBJECT: An Opportunity in Ecuador

NOTE TO THE BOARD

This memorandum was Staff-initiated and is submitted
for Board consideration.



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SUBJECT: An Opportunity in Ecuador

SUMMARY

The 11 July ousting of President Arosemena by the country's military leaders appears to present an opportunity for overdue basic reforms. The need for thorough-going social and economic reforms is at least as great in Ecuador as anywhere in Latin America. The Military Junta has declared its intention to crush communism, end terrorism, and put into effect social and economic reforms. The opportunity to bring Ecuador into the Twentieth Century should not be sidetracked by overemphasizing a return to a "constitutionalism" which has served primarily as a means of maintaining an outmoded status quo.

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DISCUSSION

1. Colonel Marcos Gandara, one of the members of the Junta, informed the US Ambassador that the new regime proposed to take advantage of the opportunity to effect a clean sweep of Ecuador's outmoded social structure through agrarian, administrative and fiscal reforms to the extent possible. In replying to the Ambassador's query regarding restoration of constitutional government, Col. Gandara stated that the current Congress could not be relied upon to make necessary changes in view of its demonstrated incapacity and that the job would have to be done by the Junta with the collaboration of patriotic and competent civilians. When Gandara estimated that elections could not be held before about two years, however, he may have been overly optimistic -- particularly in view of the problems involved in effecting the reforms envisaged.

2. Gandara's disillusionment with Ecuadorian political parties is well justified by the record. The only administration that attempted to implement reforms was that of Jose Maria Velazco Ibarra, whose espousal of a reform program and imposition of taxes to support it were important factors in his ouster in late 1961. Neither Velazco's successor, Arosemena,

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nor his predecessor, Camillo Fonce, a leading candidate for the presidential elections formerly scheduled for 1964, made any attempt to disturb the status quo favoring the oligarchy to which they belong.

3. Since the overwhelming majority of the population are excluded from voting because of illiteracy, elections have been largely a contest for power and the spoils of office among an upper class with little if any sense of social responsibility or public integrity. What passes for "constitutionalism" in Ecuador is a system that enables a small oligarchy to manipulate the political system for its particular benefit and to sidetrack recurrent efforts to initiate reform programs. The Congress has been little more than a debating floor on which its members have demonstrated at least their incompetence as national legislators.

4. Efforts by the Junta to change the status quo will of course be resisted by the oligarchy in the name of constitutionalism. In addition, the oligarchy will probably be joined in its opposition by the extreme left (including Castro/Communist elements) who believe that the status quo offers them the most propitious means of eventually seizing power, and who

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therefore share with the oligarchy a common short-term objective in blocking a reform program. (This pattern has been evident in Peru.)

5. We believe that the strategy of the extreme left is, from its own point of view, soundly based. A continuation of the status quo would in time probably play into the hands of another Castro as pent-up discontent and demand for change led to mounting frustration and despair over the possibility of achieving reform by other than extreme methods. It follows that the Junta, firmly anti-Communist and bent on reform without extremism offers an opportunity which may not occur again to bring Ecuador into the Twentieth Century. The Junta's program probably can be implemented only at the expense of "constitutionalism," certainly of the old form. However, to insist on a return to that "constitutionalism" would, in our view, amount to seeking a retention of a status quo which is the antithesis of the social and economic goals of the Alliance for Progress.

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